

AN EVALUATION OF THE ADMINISTRATIVE SYSTEM OF
A SOCIAL SERVICE ORGANIZATION - A MANAGEMENT
AUDIT OF THE HONG KONG CHRISTIAN SERVICE

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ABSTRACT

Management audit is a systematic appraisal of the management performance of an organization, aiming at improving its efficiency and effectiveness in the management systems. The writers make use of the management audit concept to diagnose the administrative system and the related subsystems of the Hong Kong Christian Service, the second largest local social service organization.

In this project, the writers concentrate on the general management subsystem, human resources management subsystem, financial management subsystem and information management subsystem. Special attention is also paid to the central administration and functional groups of the overall administrative system. Emphases are on the organizational structure and their planning and control mechanisms.

Major deficiencies and problem areas are located through analyses of the subsystems, and recommendations for improving the performance are also made. However, the writers have concentrated on major managerial issues only, and operational improvements are not studied.

This project also reveals that management and strategy concepts are not commonly found in local social service organizations, despite their demonstrated significant contributions

to the local community. It is the hope of the writers that the integration of high calibre social work staffs and adequate management systems would benefit the organization and the public in the future.

PREFACE

Business organizations are not the only institutions to which management concepts can be applied. Service organizations are equally in need of good management. The writers have carried out a management audit on a social service organization. The purposes of this research are to assess the effectiveness and efficiency of their administrative system and to recommend improvements, such that the organization can be well positioned to exploit new opportunities.

This research evaluates mainly four areas: the general management, human resources management, financial management and information management. Though these areas are analyzed separately, it is thought that they are interdependent subsystems within the whole administrative system. Any changes in one area will usually have effects on other areas. Thus, the writers are careful to view them collectively and recommend compatible actions for improvements. To distinguish this project from an operational audit, the research here focuses only on problems in the managerial and agency level, rather than problems in the operational level.

The research requires the writers to integrate their knowledge of general management, finance, human resources management, information systems as well as behavioral sciences. It is their hope that this research may initiate more applications of

management concepts and techniques in the social service sector,
and, thereby, benefit the public ultimately.

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CHAPTER I

INTRODUCTION

Overture

The Hong Kong Christian Service (HKCS) is the second largest social service organization in Hong Kong. Its services are well-received both within and outside the social service sector. Since its establishment in the 1950's, the HKCS has not received any external review on management performance other than the annual financial audit prepared by their auditors, Kwan, Wong, Tan & Fong. As the result of an increase in the demand for social services in recent years, the management of the HKCS felt a need to adjust in order to cope with the environmental changes.

Two years ago when the present Director took office, the HKCS started to undergo a period of self-examination and consolidation. efforts were made to reorganize its structure, and the service delivery models were re-examined. Being specialists in social service work, the management modestly claimed that they were not management practitioners. Thus, they invited outside parties to assist in evaluating their existing administrative system.

Such an evaluation provides a unique opportunity because:

- 1) it is not usually possible for anyone to have the chance to study and analyze an organization on the whole thoroughly;

- 2) it is an opportunity for the writers to apply their experience, judgement and knowledge of management to a real situation; and
- 3) it is their hope that this research may contribute to the future performance of the HKCS, and to the benefit of the community.

In this research, the management audit approach was used in making the evaluation because the writers thought that a review of the existing situation is the best starting point for any improvement.

Management Audit

Management audit, in its simplest terms, is a systematic appraisal of the management performance of an organization. The aim is to help administrators and executives to improve the efficiency and effectiveness of their management systems so as to improve the organization's performance.

Probably, the first well-received approach to management audit is the one developed by Jackson Martindell of the American Institute of Management (Martindell, 1962). His approach uses a system of points to evaluate ten areas: economic function, health of earnings, corporate structure, service to shareholders, research and development, fiscal policies, production efficiency, directorate analysis, executive evaluation and sales vigor. The result is then used to compare with the performance of other firms in the same industry.

William Greenwood, another researcher in management audit, differentiates it as an audit covering managerial functions from that on operational functions. He focuses more directly on the appraisal of the general performance of management functions at the top management level and the total firm standpoint, as well as within specific functions, such as production, personnel and operating methods (Greenwood, 1967; Wren and Voich, 1976).

Since the concept of management audit evolved, its application was mainly in business organizations. Some non-profit organizations occasionally employed this technique to improve their managerial performance. Martindell reorganised his ten categories of checkpoints in order to evaluate non-profit organizations, namely, social function, organization structure, growth of facilities, membership analysis, development program, fiscal policies, trustee analysis, operating efficiency, administrative evaluation and effectiveness of leadership (Martindell, 1962). Anyhow, the theme is again an examination of an organization's present situation, a diagnosis of deficiencies, and a clearcut recommendation for effecting improvements.

Management Audit in Social Service Organizations

In general, it is thought that executives in non-profit organizations are less efficient than their business counterparts (Anthony and Herzlinger, 1975), partly because of their reward system and partly perhaps because measurement of their performances is more difficult. Another major factor is that administrators in

non-profit organizations are usually professionals trained in their own disciplines, but not in management skills. As the non-profit sector is becoming a major portion of modern societies, the issue of the executives' managerial effectiveness is receiving more and more attention.

In Hong Kong, though social service organizations are a major share of the non-profit sector, little management training has been given to the social service administrators. As a matter of fact, the Hong Kong Council of Social Services ran their first "Management Course for Social Workers" in March 1981. Thus, most management techniques were not employed in many social service organizations. However, their service is to the public's satisfaction.

Objectives of this Research

This research is basically an independent assessment of the administrative system, not oriented to any specific problem. Therefore, the writers did not make any hypothesis, nor did they attempt to testify their observations.

The major objectives of this research are:

- 1) to carry out a check on the effectiveness of administrators in achieving the objectives of the organization;
- 2) to identify any weaknesses that exist in the functions and the operations of the services; and
- 3) to recommend actions for improvement in management performance or

operations.

CHAPTER II

METHODOLOGY

Organization of Research

As the objective is to help administrators to improve the organization's performance, the following areas were covered in the research: overall administrative system, general management subsystem, financial management subsystem, information management subsystem and human resources management subsystem.

In particular, the following aspects of management were checked in each subsystem to locate possible improvement opportunities: 1) organization structure, how it facilitates the efforts of management? 2) planning and control mechanisms, how they operate and whether they achieve their purpose effectively?

The research is divided into three stages: collection of data, analysis of information and finally, report of findings. Visits to service outlets and interviews with key personnel involved were the major source of information. The writers spent approximately twenty-five hours in interviewing the three directors and eight service heads. In such interviews, the writers made use of several question checklists extracted and modified from various sources (references listed in the appendix). Activities Reports and minutes of various committees and working groups since 1980 were reviewed by the writers. The writers also had a chance to attend the key

executives' meeting, the Assembly of Service Heads.

Diagnostic analyses were then taken to identify problem areas. The writers first evaluated the strengths and weaknesses of the existing subsystems, then checklists were used to identify any deficiencies that might be improved. In the diagnosis, theoretical explanations were made. After the analysis stage, the writers developed improvement alternatives and implementation plans. Feasibilities of the improvement plans were studied and possible problems arising thereof were also identified. Eventually a final report on the overall position with the writers' recommendations were prepared for HKCS as the documentation of this research.

Scope and Limitations

This research is mainly concerned with the organization's capability to cope with the rapid change in social needs. Attention was given to the management's ability in developing and carrying out necessary strategies to satisfy client needs as well as to achieve the organization's objectives. In addition, the adequacy of the various subsystems for planning, coordination, control and development were examined. To distinguish from operational audits, this research did not go into procedural details of operations.

Due to the complexity of service marketing discipline, which warrants a full research itself, this aspect was excluded in this research. However, the writers were aware that client-centredness and satisfying clients' needs are two of the primary concerns of

the organization.

In view of the time span available, the writers understood that their recommendations will not be fully implemented before the deadline of this research project. Therefore, they involved the Directorate of HKCS in the later part of the research and let them take over the implementation.

In recent years, there has been a trend that management principles move toward the contingency or situational approach (Koontz and O'Donnell, 1976; Thierauf, Klekamp and Geeding, 1977). This school of thought states that the application of management principles and practices should be contingent upon the existing circumstances of each organization. That is, there is no best way to do things in every situation. The writers also believe that finding an 'optimal' solution for any organizational problem is far from reality. It is a tremendous job to generate all possible alternatives and compare their relative merits. Therefore, this research used the satisficing approach instead of the optimizing approach in recommending alternatives and improvements. Thus, the writers recommended acceptable , but not the optimal, alternatives to effect improvements and reduce deficiencies.

CHAPTER III

OVERALL ADMINISTRATIVE SYSTEM

Historical Development

The HKCS is the result of a series of mergers of five foreign church social service agencies, which occurred in the Sixties and Seventies. Some of the services provided by the HKCS at present can be dated back to the Fifties.

After the Second World War and the Communist Party took power in China, Hong Kong became a paradise for the Chinese people. Thousands of refugees came to Hong Kong each day at that time. Foreign churches then began their relief work for the refugees. The roots of the HKCS in the Fifties are:

1. The Migration Unit of World Council of Churches (WCC), which helped mainly the White Russians.
2. The Department of World Service of the Lutheran World Federation (LWF), which concentrated their efforts on Chinese refugees.
3. The Church World Service (CWS).
4. The Christian Relief Council (CRC), which acted mainly as a co-ordinator for some Christian services in Hong Kong.
5. The American Friends Society (AFS), which started their community development project in Lei Cheng Uk during the Fifties.

In early Sixties, CWS and CRC merged together to form the Hong Kong Christian Service (基督教服務委員會). This Hong Kong Christian Service joined the Hong Kong Christian Council (a member of the World Council of Churches) as an affiliate member. In the mid-Sixties, the AFS left Hong Kong and their operation in Lei Cheng Uk was transferred to the LWF.

The Hong Kong Christian Council had undergone a reorganization in the late Sixties. The Hong Kong Christian Service then became a service arm of the Council and under the supervision of its Division of Service. In 1976, the LWF planned to leave Hong Kong and negotiated various terms of merger with the Hong Kong Christian Service. Finally, the operations of the LWF merged with those of the Hong Kong Christian Service. The Hong Kong Christian Council then appointed a Director to manage the Christian Service which was supervised by the Executive Secretary of the Service Division of the Hong Kong Christian Council. And the Chinese name of which became 香港基督教服務處.

From 1979 to 1980, the Migration Unit of the WCC also joined the Christian Service and formed the present HKCS. A diagram showing the process of merger is shown in the Appendix.

Before 1976, the HKCS played mainly a co-ordinating role for the services of some local churches; they dealt with elderly services and work-scholarship cases. The LWF was a much bigger and more well-organized social service agency. Their services included counselling, relief work, community development, youth centres,

school social work and a vocational training centre. In the early years after merging, the operations, organization and management of HKCS followed that of LWF very closely.

The LWF departmentized their organization according to functions and service regions. So when the LWF consolidated with the HKCS, all the centre directors and centre-in-charges became department heads. A post of Deputy Director was created to help the Director in all day to day program operations. The Director is responsible for publicity and government liaison work. Because of the charismatic management style of the director, and the fact that the HKCS was a newly consolidated agency, the service heads and centre-in-charges are quite independent. The organization was a very flat hierarchy with the Director supervising all departments, centres and services. But the actual job of coordination was still in the hands of Deputy Director.

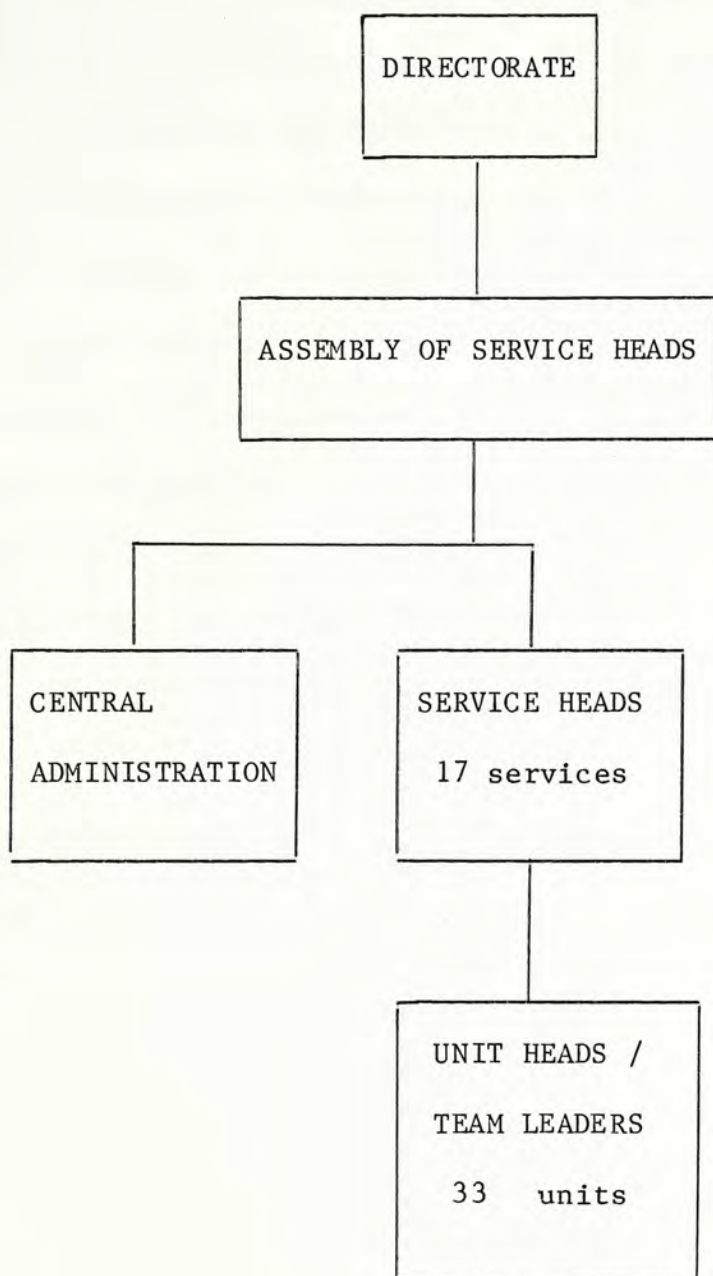
Present Situation

It was only after 1980, when the Director retired and the present Director assumed duty, that changes were made. The whole HKCS was then organized according to services provided. In late 1980, an Assistant Director was appointed to review and supervise their administrative work. The Deputy Director was made responsible for all program developments. The whole organization is grouped under seventeen services, each with a head. And the heads supervise

unit heads or team leaders in the service concerned. With the grouping according to services, the Assembly of Service Heads (ASH) was formed whose tasks were mainly the execution of agency policies and the decision on operational procedures.

In 1981, the Directorate work was reshuffled with the aim to further strengthen the structure and make operations run more smoothly. The Assistant Director now is responsible for programs in children services. The Deputy Director looks after youth and elderly services. The Director is responsible for staff development, publicity and new projects. Central Administration was reclassified into a general office, a finance office and a personnel office with the Director, Deputy Director and Assistant Director supervising each respectively.

A simplified organization chart for the present HKCS is as follows:



The overall operations of the HKCS report to its Management Committee, whose members are appointed by the Executive Committee of the Hong Kong Christian Council. However, the Hong Kong Christian Council has only a few broad guidelines on the operations of HKCS. Thus, the management of the HKCS can be considered quite independent of the Christian Council.

During April 1981, a Consultative Group on Development, which was advisory in nature, was formed with an objective to map out the future directions for the HKCS. Three service task forces were also developed with the Directorate as their chairpersons to co-ordinate similar services. Ad hoc committees or working groups will also be formed when necessary. Basically, these groups facilitate coordination and development. Also in late 1981, the HKCS introduced for the first time a Program Plan, a plan that tried to integrate all the services and give staff opportunities to participate in overall planning.

The majority of the HKCS service units are located in Yaumati, Shamshuipo and Kwun Tong. District Coordinators were also appointed from the senior staff members to better coordinate the services.

Goals and Objectives

The Chairman of the HKCS Management Committee stated in the 1981 Activities Report that 'Hong Kong Christian Service is the service arm of the Hong Kong Christian Council. It has a mandate to represent the church to serve the Hong Kong community, and to search for new service directions on its behalf.' Therefore, the HKCS is dedicated to promoting Christian Service for the healing and growth of people in the Hong Kong community by various means.

The organization objectives are clearly spelt out in the Activities Reports. These objectives are quite comprehensive and are summarized as 1) providing services to those needed; 2) identifying unmet human needs and developing innovative services; 3) mobilizing people to support the services; 4) advocating more adequate social welfare policies; 5) joining with Hong Kong Churches in working out a servant-hood lifestyle; and 6) uniting with other ecumenical bodies to help build a more just, participatory and sustainable society.

The HKCS is also trying to work out service philosophies and objectives for each of the services provided. In each of the services, they have professional objectives that are commonly accepted in the field, but most of them are not documented or standardized. The Consultative Group on Development realized the need to document objectives and service philosophy for each of the services. They required the Service Heads to prepare Position Papers to delineate the various service strategies. These papers are under preparation.

Services

Currently, the HKCS has seventeen services provided to the Hong Kong community through its thirty-three centres. The number of employees, including part-time staff members totals to over 500. The services are generally classified into three broad groups, namely, children, youth and elderly, and are coordinated in the task forces. Other services also have representations in the task

forces. A detailed structure and establishment chart is shown in the appendix.

These services are

- Children Services - Child Care Centres
 - Foster Care
 - Pui Oi School
- Youth Services - Children and Youth Centres
 - Outreaching Team
 - School Social Work
 - Kwun Tong Vocational Training Centre
 - Tung Fook House
- Elderly Services - Social Centres
 - Hostels
 - Home Help
- General Services - Medical, Dental and Ophthalmic Clinics
 - Psychological Services:
 - Counselling Services
 - Family Life Education
 - Infant Stimulation Project
- Other Services - Migration Services
 - Community Development
 - Integration of Newcomers from Mainland China Project

Functional Groups

1. Consultative Group on Development

The consultative Group on Development (CG) was formed in April, 1981. It is designed as an advisory committee on the future directions of the HKCS. Since its establishment, the CG has reviewed various services of the HKCS and initiated the Program Plan in late 1981. The CG has also requested that each service draft a Position Paper. The Position Paper will include the objective and

history of the service, its present situation in Hong Kong and in the HKCS, the staff philosophy and vision in this service. Basically, the paper provides each service chances to review the organization's view on service provided and to recommend new delivery models. The CG is fundamentally a committee on long-range planning. It is a standing advisory board on mapping out the future directions and innovative services for the HKCS. Membership of this group includes the three directors, three senior social workers, one clinical psychologist, one educationalist and one representative from medical services. The members are appointed by the Director and will be rotated among service heads annually, with the aim to involve more people in top level planning.

Comments on the CG are:

a) The membership is quite representative. It has involved various parties that are required to contribute ideas on long-range planning. This kind of participation in planning has proven to be successful in the business field (Thierauf, Klekamp and Geeding, 1977). Essentially, this enables service heads to submit their views on the HKCS's future and to recommend improvements. It is generally accepted that staff will work better and with greater satisfaction if they are participated in shaping their own future (Nadler, Hackman and Lawler, 1979). However, it is noted that the members are already very much involved in their own routine work. It is a problem for them to sit aside and think thoroughly on future directions. It would be helpful if their routine workload were reduced.

b) The effectiveness of the CG up to this point is satisfactory. It has instituted several necessary steps to initiate long-range planning. For example, the drafting of Position Papers is the starting point. The papers provide analysis of the present situation of each service, which is the foundation of planning. The CG also initiated the Program Plan, which tries to coordinate efforts towards some agency directions. In the past, services were quite independent and developed on their own. Cooperation among services was only occasional. But now, the development of services provided is monitored by the CG. The CG reviews all Position Papers and gives comments on the future development of services. But the group so far has not used any quantitative measurements to assess the HKCS's effectiveness and efficiencies in the delivery of services. It is important to know the present achievement in order to make future plans to progress.

c) In the past, the CG has concentrated their effort in evaluating existing services and sometimes seeking innovative services. But it is also important for an organization to think of abandoning some of the not so relevant services. Peter Drucker in his article "Managing the Public Service Institutions" (Borst and Montana, 1977) pointed out that it is very important for service organizations to know what business they should be in. In other words, they need to think through their own specific function, purpose and mission, or the priorities of concentration so that targets can be selected. The HKCS should also define their scope of services, so that efforts can be best coordinated.

d) The length of office of each CG member, other than the Directorate, is often limited to one year. When a service head is appointed as a CG member, the Directorate needs to brief new members on their new responsibilities. It also takes one or two months for the new members to adapt to the group and to catch up with group activities. This would seem to reduce the efficiency of CG.

2. Task Forces

The task forces (Children, Youth and Elderly) are set up to coordinate the services and units concerned. To distinguish from the CG, Task Forces are more operational and deal with short-run plans. They have no real decision making authority, and are only advisory in nature. Past work included the detailed planning of Program Plan. Working groups were also set up to conduct researches and the design of service materials. One service head commented that, at present, the coordinating work of Task Forces is only on piecemeal basis. They do not have long-range objectives or strategies in coordinating the services. Theoretically, the coordination is a part of the overall planning, an extension of the long-range planning (Thierauf, Klekamp and Geeding, 1977). Short-range objectives should be sub-ordinated to long-range ones. Take last year's Program Plan as an example. Task Forces used most of their time in the operational details of the Plan, such as reviewing and approving the action steps of each service. This can help members' understanding and acceptance of the agency's work in the services. But on the other hand, they have put much effort on short-term coordination rather than on strategic coordination

decisions.

Also the members of Task Forces are mainly directors and service heads. Like the CG, their routine workload is quite heavy and some even serve on several committees simultaneously. Therefore, the work that can be done is very limited. However, as they come from similar services, they may be at a better position to improve services and to brainstorm innovative services than CG. Also they know more the needs and constraints of each service. Therefore, research on each service is better carried out in Task Forces than in CG. Also in planning manpower needs or placement, Task Forces is superior in efficiency. In order for the members to carry out the expected function of Task Forces, delegation of some routine work to others seems the appropriate way, so that Task Forces may concentrate on review, planning and control.

3. Assembly of Service Heads

The ASH is established to coordinate all service heads and serves as a body to decide on operational procedures. There is a need for this kind of committee in the HKCS because

- a) it serves as a coordinating role for all the services,
- b) it provides the opportunity for staff to participate in corporate planning,
- c) it reduces the probability of a communication falloff or block to a certain extent,
- d) it can provide newer service heads with additional training and

experience. (Glueck, 1980)

However, the present role of the ASH as a decision making device is not so clear to the staff, even to the ASH members. Their understanding, acceptance and attitude towards the ASH is not so explicitly expressed. Some may just sit in the meeting and listen, without the desire to contribute thinking. Some think that this is only a service heads reporting session; they will pay attention to those things related to their own service or to those that seem interesting. Because of their different background and expectation, members have different degrees of commitment to this assembly. Sometimes, these differences may lead to conflicting interests among them. This will cause particularly poor decisions, because the members will solve problems by accepting the decisions that involve the least amount of conflict (Glueck, 1980).

The service heads serving in the ASH are of different ranks and seniorities, some of them representing the services of several centres, and some representing the services of only a few staff workers. Therefore, this prevents members from speaking up their opinions and making important decisions.

On one or two occasions, the staff complained that the ASH did not consider the staff's opinions; they said that policies are established by the Directorate/ASH without enough consulting. Examples include the new policy of Maternity Leave and Sick Leave. They questioned to what extent the ASH is democratic.

As the ASH has its reasons to exist in the HKCS, measures should be taken to promote the staff's acceptance and commitment in the ASH. The ASH members' awareness of their authority and responsibilities is also important. Efforts should also be made to reduce the rank or seniority differences in its membership.

CHAPTER IV

GENERAL MANAGEMENT SUBSYSTEM

Introduction

The approach to the administrative system of the HKCS is to study the various subsystems independently, find areas where improvement is needed and then consolidate the findings together to develop alternative strategies to improve organizational effectiveness.

There are no well-defined administrative subsystems in the management of the HKCS. There are merely specific areas of related operations that the writers grouped to facilitate analysis. Four subsystems are so identified: the General Management Subsystem, the Human Resources Management Subsystem, the Information Management Subsystem and the Financial Management Subsystem. These are described separately in this Chapter and the four following.

General Management Subsystem

Under this category, both line and staff functions are included. Line functions are those operations that are directly or indirectly dealing with the clients. They can be divided into Children Services, Youth Services, Elderly Services, Psychological Services, Community Development, and Migration Services. The staff

functions are mainly internal operation units whose main objectives are to assist line functions and to maintain coordination among the various functional areas. These include the Consultative Group on Development (CG), the Assembly of Service Heads (ASH) and the Central Administration.

Children Services

Services delivered to children between two and six are under the supervision of the Assistant Director. Types of services under this category include Day Care Centres, Pui Oi School and Foster Care Service.

The HKCS has maintained four Day Care Centres, situated in crowded areas in Kowloon. The objective of this service is to help working parents to take care of their children. The service provides a good learning environment to enable the children to cultivate desirable habits and to prepare for formal schooling.

Pui Oi School is a special school under the HKCS management that provides young physically handicapped students learning opportunities to think and live independently. Unfortunately, it has limited development because of capacity constraints.

Foster Care Service provides children of disintegrated families a substitute home resembling their own where they can enjoy parental care and love. The objective of this service is to help

these children to grow and develop in a normal family environment.

Operation in Children Services is well-organized, and the performance is satisfactory. A particular point worth mentioning here is that the HKCS has been the only agency providing foster care service in the community since 1972. Because of the lack of support from the public and the government, foster care service has only two workers, each taking twenty cases. One of the workers is also responsible for administration and public relations of the unit.

Youth Services

The Deputy Director is the one in charge of this bundle of services. He is assisted by a task force of people in identifying new service needs and in coordinating the programs. Services under this category include Children & Youth Centres, Outreaching Service, School Social Work, Kwun Tong Vocational Training Centre and Tung Fook House.

The function of the HKCS's four Children & Youth Centres is to serve as focal points for a wide variety of indoor and outdoor activities for the development of young people in character, leadership and socialization skills.

The two outreaching teams approach those young people who do not make use of the youth centre services. They attempt to work with young people who congregate in playgrounds in densely populated

housing estates. As these young people are on the fringes of crime and vice, social workers in the outreaching teams get acquainted with them so as to modify their behaviour and attitudes.

Consisting of one supervisor and eight social workers, the team of school social workers of the HKCS provides service to 28,000 students in 23 secondary schools in Kowloon. Each worker spends two days a week in one school location to identify those students with difficulties and to apply expertise to help the latter to solve their problems. Both remedial and preventive services are rendered. In addition to case work, group activities and special programs of developmental nature are organized periodically.

Kwun Tong Vocational Training Centre provides full-time, mostly one year vocational courses for young people of 15 years old and above. The curriculum is heavily geared toward practical skills training and field work in respective industries. In addition, the school provides a great variety of continuing education and vocational courses for people who are working in the day time and yet hope to make use of their spare time in the evenings for training or self-development.

Tung Fook House is specially for the re-establishment of former drug abusers. It is a half-way house organized to bridge the gap between closed treatment institutional life and the open community. Admission is open to males under 35 years of age who have received at least 16 weeks of drug withdrawal treatment at the treatment centre of SARDA. The centre is headed by a superintendent

with six staff workers assisting daily programs.

Elderly Services

This group of services is also under the supervision of the Deputy Director. Services to the elderly consist of Hostels, Social Centres and Home Help Services. Unlike the other services, this service has a coordinator to supervise all the routine activities.

The three Elderly Hostels in Wah Hong, Kwai Fong and Shun Lee provide accommodation for ambulatory independent elderly persons aged 60 or more who are separated from their families. Accommodations are also provided to those whose basic housing needs cannot be met from other sources, such as from personal savings, family resources, part time employment, etc.

The two Social Centres for the elderly of the HKCS provide well organised programs for the local aged residents. The elderly are motivated to make constructive use of their leisure time to widen their social circle and improve their interpersonal relationships. Services provided in these centres include leisure facilities, mass functions, group activities, talks, education, consultation and mutual help services.

The service delivery model adopted by the Home Help Service of the HKCS is the centre-based approach. The team has a kitchen and laundry facilities at the centre where all meals and laundry

services are centralized. "Home Help" is a program designed to meet the needs of those who are unable to look after themselves. This enables people in need of care to remain in the security of their own home to avoid unnecessary institutional care.

Because of the organization of the service units and the relatively narrower segment of clientele as compared with those of the Youth Services, coordination among the units of the Elderly Services is more efficient and effective.

Psychological Services

Services delivered under this category by the HKCS include the Infant Stimulation & Parent Effectiveness Training Project, Counselling and Family Life Education Services.

The Infant Stimulation & Parent Effectiveness Training Project (I.S.P.) is an innovative service for high-risk infants and their families in Hong Kong. It aims to help parents/caretakers of high-risk infants aged 0 to 2 to effectively manage and stimulate their infants. It helps families adjust to having high-risk infants and foster the intellectual, physical, social and emotional development of the infants.

Counselling is an intensive service addressed to the emotional problems, issues and concerns of individuals going to the agency for help. The Counselling and Family Life Education Services of the

HKCS is manned by six full-time and one part-time professional staff. A multi-disciplinary approach was adopted so that social workers and the clinical psychologist worked closely and integratively in providing services to the same client according to their expertise.

Family Life Education is a form of community education designed to arouse the public's awareness of the importance of family life and the need to acquire positive attitudes and skills in dealing with the challenges it represents. The objective of the FLE team of the HKCS is to promote the social and emotional well-being of the individual leading to a more healthy family and a responsible society.

Similar to other services, the major problem in the Psychological Services is the lack of manpower. Take the Counselling and Family Life Education team, for example. There is only one FLE officer whose responsibilities include liaison with government departments, local organizations, professional bodies, church groups, and community leaders at the district level.

Community Development

Community Development is a social work method of effecting planned social changes in all or any part of a community through the modification of the values and behaviours of its residents, institutions and its way of using resources.

The work of the two community development teams of the HKCS is focused on temporary housing areas and the Mark I & II estates. The projects in Tai Woh Ping and Lei Cheng Uk are in operation. These projects are supervised by the head of the Children & Youth Centres for the time being as a result of a shortage of management personnel.

Medical Service

Medical, dental and ophthalmic services are offered in the HKCS's clinic on the first floor of the Tsimshatsui Centre. The service has a history of twenty four years. Service is delivered at a relatively cheap fee, and the clients are residents and office workers in the neighborhood. Operation is under the control of the Nurse-in-charge, who reports directly to the Assistant Director.

Migration Services

The HKCS was invited by the United Nations High Commissioner for Refugees to provide social, vocational and recreational services to the Vietnamese refugees at the Kai Tak North Camp. In addition, HKCS also serves Chinese and stateless Europeans.

A project on integration of newcomers from Mainland China was launched in 1981. This experimental project is to help these new immigrants to integrate into the local community. Services provided

include vocational training, language training and employment guidance.

Central Administration

Central Administration is divided into three offices: General, Finance and Personnel. The General Office has an Office Manager who reports to the Director and supervises operations and staff. The Personnel Office and Finance Office are under the supervision of the Assistant Director and the Deputy Director, respectively. That is, these two directors need to look after both the programs and the administration of the agency. As their jobs should concentrate on control and development, it is not wise for the directors to look after those supporting services directly (Glueck, 1980). Sometimes, they just do not have enough time to spend on routine financial and human resources management. It would be better to leave this work to an accountant or a financial controller and a human resources officer. This would relieve their workload and reduce their span of control. Computerized financial and personnel functions could be a help to the Directorate when their work is delegated, because they can access necessary information in a very short time even without direct daily supervision. Nevertheless, the three offices should be under the Directorate's supervision at all times. Details of financial and human resources management functions will be discussed in the chapters following.

At present, research and development are done to a very little

extent in the HKCS. Some research on current issues is done by staff in the service related to the issues. There are two kinds of research needed, one is social research, which is issue-oriented, the other is service research, which is program-oriented. Social research is oriented to social issues; they are necessary input for the existing services and sometimes may give insights to innovative services. Service research is oriented to the existing programs, and means research on the program effectiveness, service philosophies, delivery models ... etc. This can be built in or integrated with existing services and programs. Some new projects, like the Infant Stimulation Project and the Integration of Newcomers from Mainland China Project, have built-in research components. But social research warrants an independent department. It is because this can free current field staff from the research burden, and often an outsider is in a better position to investigate social issues, because of both expertise and lack of bias. By having an independent research unit, the HKCS may develop research and development plans which specify actions oriented to improve what it has to offer (Zaltman, 1979).

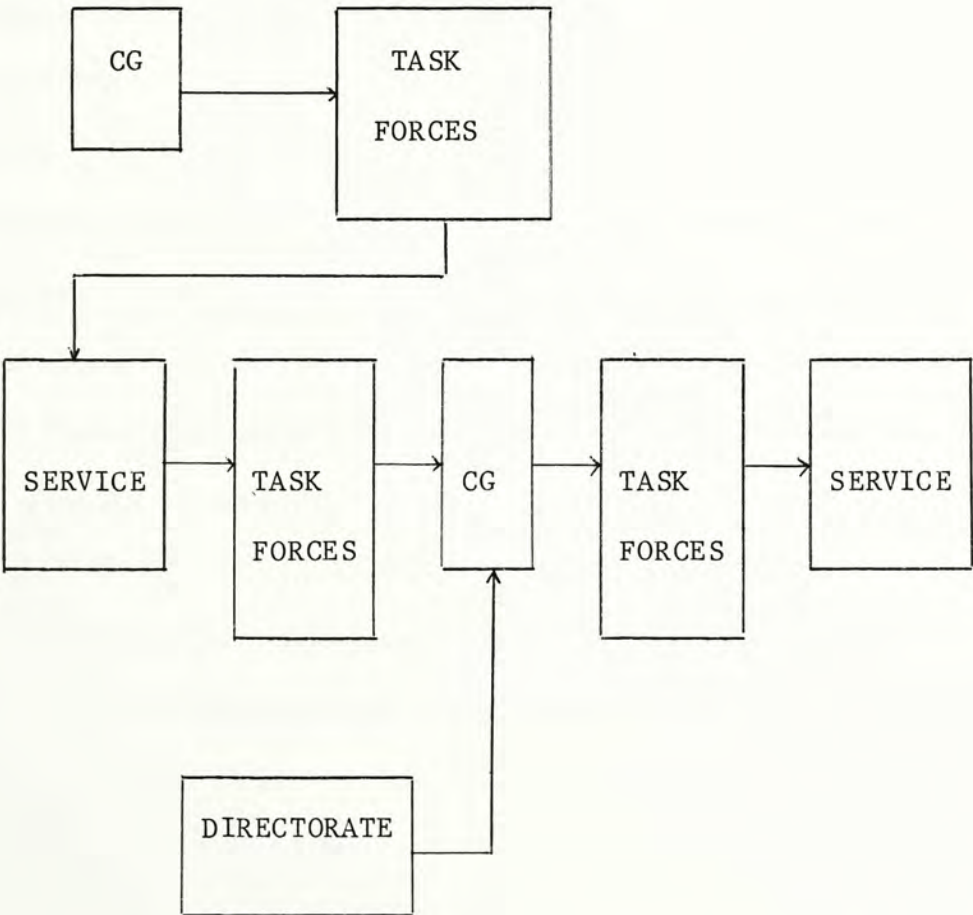
CHAPTER V

GENERAL MANAGEMENT SUBSYSTEM - ANALYSIS

Management Functions

1. Planning and Control

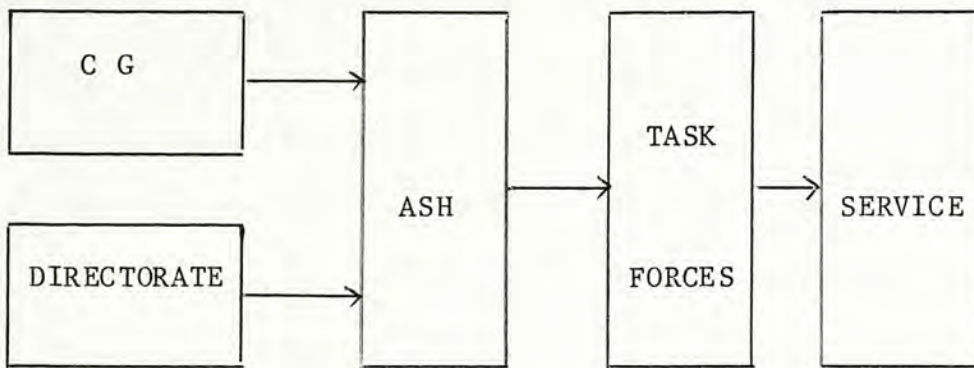
Planning and control functions can be divided into two aspects, a) long-range and b) short-range. For example, Program Plan is short-range planning. The pattern of which is as follows:



As described in the "Program Plan Process" prepared by the

Deputy Director, the Program Plan is initiated in the CG. After consultation with service/unit heads, operation goals are developed. These goals provide definite direction and a planning umbrella for the agency. Clear objectives are then prepared by the respective Task Forces. The aim of these objectives is to provide measurable specification of attainable outcomes within operation goals. The individual services or units are then required to prepare action steps, i.e. specific steps to be taken, activities to be conducted to achieve objectives, persons responsible and completion dates. The steps are then reviewed by Task Forces and the objectives in turn are reviewed by the CG. During the whole objectives and action steps formulation process, money, manpower, time and facilities feasibilities are considered. After finalization, budget development and implementation details are then taken by Task Forces, the services and units. According to the schedule, the actual implementation of this process required three and a half months, from December 2, 1981 to March 12, 1982. The ASH is purposely bypassed because the Directorate thought that since the ASH deals with operational details only, it should not be involved in overall program planning.

While for long-range planning, usually the starting point is in the CG or Directorate. The pattern is:



Long range decisions, like the introduction of a new service or project, or reshuffling of Directorate work, policy making is first initiated in the CG and then discussed by the service heads in the ASH. However, as the ASH and the CG are newly formed committees, most new ideas are actually generated among the Directorate. So far, the HKCS has not done any systematic or strategic long-term planning, such as a comprehensive five-year plan. It is true that they have very rapid development both in programs and administration for the last five years, but, as one director commented, the development lacked planning. They are now in the stage of consolidation, concentrating on quality rather than quantity.

Introduced at the end of 1981, the annual program plan was the only formal planning activity in which responsibility for the planning function has been assigned to individual service heads in writing, and time and facilities have been set aside. The annual program plan was actually a short-range tactical plan. The process involved active participation of all service heads and the social workers were consulted about all plans affecting the work they do. An examination of the documentation revealed a number of

deficiencies in the planning process. First, there was no indication in the recorded minutes that a search of alternatives was included before the plans were finalized. Second, no controls have been established for each plan to check progress. Third, the work involved in implementing each plan was not estimated in most cases. Fourth, starting and completion dates were not established, hence priorities were not attached to the approved plans.

In the present planning design, all levels are consulted and are quite participatory. Opinions and comments are received from lower level staff. However, the time span for such a process is too lengthy. Even the short-term one year program plan required more than three months to go through all levels. If the information flow is not smooth, then the whole process is void. Communication block or falloff may occur. Also it will take a very long time to get a message through from the service at the start to actually hearing the feedback or decision in operational program planning. Theoretically, the ASH can function as the information dissemination agent; service heads are expected to channel opinions and decisions in the fastest way. But practically, service heads may "select," "filter" or "delay" information, making information hard to pass through. So the mechanism will depend very much on the service heads. Management writers suggested that informal organization, referred to as "the grapevine," is very helpful in human communication (Koontz and O'Donnell, 1976). A strategic use of informal organizations will lead to more effective communication results.

Also the Directorate has much influence on the ASH and the CG; therefore, there is the problem of who actually has the decision making power, ASH? CG? Directorate? or Task Forces? A clear definition of authority is required.

There is no standard reporting and control procedure throughout the whole HKCS. Each service has their own way of reporting. Some by oral reports, some in written form; some report monthly and some quarterly. Most control relies on the social work professional practice of "supervision." In most cases, the control is not designed to evaluate original objectives. It is rather concentrated on staff development. Therefore, the success of each service program will greatly depend on the individual leader's ability and dedication. The progress of each service is monitored by the Directorate concerned at present. Also, because normally there is no clear definition of standards, measurement of performance seems difficult. As long as the service is running without much trouble, then it will be regarded as normal and Directorate will not pay much attention to it.

Moreover, there are built-in evaluation elements in each program. But, as reported by the Directorate and some social workers, these evaluations are very vague and subjective. Actually, it was only the staff's own impression of the program, not an objective and precise evaluation of performances.

2. Organizing

There is no standardization of structure/establishment of each service, due to the history of the individual service as well as to government regulations. Therefore the HKCS can do very little in making the structure uniform, or is it necessary to do so. At present, nearly all the services are grouped under the three Task Forces and supervised by the Deputy Director and the Assistant Director accordingly, except the Infant Stimulation Project and Migration Services, which are supervised by the Director. Among the seventeen services provided by the HKCS, certain services are quite unique in nature, and they are already quite independent, for example, KTVTC, Migration Services and Medical Services.

The essence of organizing is to reduce coordination cost (Khandwalla, 1977; Koontz and O'Donnell, 1976). The present structure of grouping around related services is much better than grouping around functions or servicing areas. Coordination costs are also reduced by the existence of the ASH, Task Forces and District Coordination meetings. However, some services cannot be classified into the three broad categories of Youth, Children and Elderly. They are Community Development, Counselling, Medical Services and Migration Services. These services are now arbitrarily affiliated to the nearest group, such as Community Development and Counselling with the Youth services. Sometimes, this may result in requiring these services to accomplish some not so compatible objectives. For example, to ask Medical Services to educate their clients on a sense of responsibilities seems unfeasible.

Secondly, the span of control is another aspect of organizing.

Besides programs, the Assistant Director and the Deputy Director also must supervise the Personnel Office and the Finance Office, not to mention serving in the CG, Task Forces, the ASH and working groups. So the span of control for the two directors is considerably large. It is difficult to monitor all these complex services closely. Especially for some new services with young service heads, the Directorate must have tight supervision and often act as the gate-keeper. So for those established services, the Directorate will not have time to pay much attention to them and will just let them operate and develop at their own will. So it is possible to consider whether some services should be under the direct supervision of the Directorate, or should more authority be delegated to the service heads, such that they may be under separate control.

Benefits of segregating some services are a) to release the directors from routine monitoring b) to give the individual service a freehand to operate c) to decentralize decision making so that service heads can respond to local environmental changes in a shorter period of time.

Weaknesses of segregating some services include a) separated units may decrease the sense of belonging b) the burden of individual service head is heavier c) the Directorate cannot control the services directly d) more experienced managerial persons are required.

Overall Analysis

The HKCS does not have a clear statement in writing telling where the agency is going or what its immediate objectives are. No clear goals could be identified during the conversations with the Directorate and the services heads. Therefore, many of the previous decisions of the agency were generally made on the basis of demonstrated needs of the society. In other words, the management of the HKCS is primarily client-oriented. Amazingly, the service heads interviewed appeared to have a strong sense of their general responsibilities despite the absence of clear definitions of responsibilities and authorities.

Based on the dealings with the community and its clients and brother-agencies, the HKCS has built up a good public reputation in the opinion of its employees. Management has created a climate so balanced between authority and self-discipline that both teamwork and individual initiative can exist together. Free exchange of views between the Directorate and its subordinates often takes place in scheduled meetings and telephone conversations. Management did measure and rate the performance of its staff members, but they failed to prepare programs for development of successors to key positions so that the loss of any one senior staff member would not severely affect the organization's affairs.

The three basic managerial functions are planning, organizing and control. The HKCS's performance in these areas is summarized at below.

a) Planning - The HKCS has begun to realize the need of planning in effective management. The Program Plan may be their first step in implementing this idea. The process now is very much complicated. Confusion often arose due to an unclear definition of responsibilities of each committee and working group. Communication falloff is also a potential problem in the planning process. This Program Plan is a one-year short-term planning for the various programs of the organization only. The HKCS does not have any well-defined goals and objectives in writing for the years ahead. Though the management has begun reviewing the agency as a total entity and the various services were asked to establish their current positions, no long range strategic planning is in existence. There is no independent planning unit for the overall strategic long-term development. Basically, they rely heavily on the CG to carry out this function. CG members are currently very much involved in their own routine programs. Due to financial and organizational constraints, it seems not viable to set up individual agency planning staffs. However, by reducing the CG members' routine work, they can spare more time in long-term planning. Efforts should be made to define what "business" the HKCS should be in and what their competitive advantages are in the social services provided. Budgets were prepared along with the annual program plans. Unfortunately, they have not taken into account manpower needs, equipment required and spare operating expenses. As a result, budgets were not used as effective supervisory tools. Controls in operations were not identified, though the persons with control responsibilities were usually known.

b) Organizing - The present organizational structure is not unified. For Elderly Services, there is a coordinator between the supervising Director and the service heads. For example, the Deputy Director needs to supervise twelve services, the Finance Office and two Task Forces. The work load obviously is heavy, and the span of control is too flat. This calls for a redefinition of jobs of the Directorate. The authority and responsibilities of each working group are not clearly defined and written down; this may cause unnecessary redtape or hesitation in making decisions. The present Task Forces can provide an opportunity for inter-service communication and coordination that reduce coordination costs. But the structure now still cannot provide room for expansion or the flexibility to accommodate changes. So a "taller" organizational design may be suitable for the HKCS, but, as Khandwalla stated, the cost may be 'slow and distorted vertical communication and large status and power differentials' as contrasted to the benefits of more control over activities (Khandwalla, 1977, p.524).

c) Controlling - Controlling is the critical part of managerial functions; it measures the accomplishment of objectives or standards set out in the planning process. However, most researchers regarded control in social service organizations as the most difficult task. Robert Anthony believed that it is an inherent problem and 'there is no foreseeable way of developing a control structure in nonprofit organizations that is as good as that can be built around the profit measure' ('Can Nonprofit Organizations Be Well Managed?', Borst and Montana, 1977, p.9). Primarily, it is because of the difficulty in measuring the benefits of services, and hence the efficiency and

effectiveness of the work performed. The HKCS is not an exception. They need to rely very much on direct supervision. Since evaluation is vague, only very significant variances are reflected. The present control system seems unable to provide forward looking for HKCS. However, this is also a major problem in the social work practice, and no instant solution is expected. But, on the other hand, budgets and expenses can be monitored closely in the HKCS. Details on this will be discussed in the chapter on the financial management subsystem. Furthermore, systems and procedures are generally not documented. Responsibility for the production, distribution and maintenance of systems and procedures documentation was not formally assigned and implemented. Thus, the operating manuals were not kept up to date.

Generally, the HKCS has adopted the consultative approach in its management. Because of their professional training, most staff also regard this as the best way to manage. This can be demonstrated by their success in teamwork and participation in staff/service meetings. But this kind of participation is not aiming at organizational development or the development of managerial persons. They have stressed professional competence and have brought in a Professional Consultant, but little managerial training for the executives was done in the past. Efficiency and effectiveness in the HKCS programs can be improved if organizational development is a part of the program planning.

In summary, overall operations were satisfactory though many service units were short of manpower. The performance of individual

services is difficult to measure because of the absence of yardsticks for evaluation. This difficulty resulted from the lack of a clearly defined statement of goals and objectives, which in turn prohibited long range strategic planning and explicit controls. The reputation of the HKCS was built merely on the efforts and constant devotion of the staff members to the needs of the society.

CHAPTER VI

HUMAN RESOURCES MANAGEMENT SUBSYSTEM

Personnel Office

Structure and Functions

Personnel administration in the HKCS is centralized and handled by the Personnel Office of the Central Administration. The structure of this Personnel office is very simple. There are two persons in this department, namely, the Assistant Director and a Personnel Assistant.

The jobs of Personnel Office at present include the administration of daily routines, like staff records maintenance, payroll, holiday application processing and all other kinds of employee benefits. The Assistant Director is also involved in hiring and interviewing prospective professional grade employees.

Staff development is taken care of by a working group headed by the Director. Other training and management development programs are initiated by the Directorate.

The HKCS has two staff organizations, one is the Staff Association, which covers all HKCS staff and the other is the Social Worker Association, of which only social workers are members. These two organizations are not established as a bargaining body with the

management but are rather concentrated on staff recreation and development activities.

Policies/Procedures Established

The following procedural guidelines were established or revised during 1981 and 1982.

1. Staff Recruitment and Termination Procedure
2. Leave Taking Regulations, including sick and maternity leaves
3. Staff Development - study leave, training
4. Terms of Employment
5. Employee Benefits

Salary and Employee Benefits

The HKCS is a government subvented agency, and, therefore, most of the employees are paid according to the Master Pay Scale. It is the Government's policy that they will subvent only those recognized programs. The Government does not support any new projects or extra staff needed in programs and administration. However, the HKCS has tried their best to secure funds to support those programs. So nearly all staff are paid according to the Master Pay Scale. Other benefits include the Provident Fund and the Medical Scheme covered by an insurance company, study leave with pay or no pay, study and travelling allowances.

Planning

So far, the HKCS has no formalized manpower planning. The forecast of manpower needed is based on existing vacancies and new requirements due to expansion or addition of services. This kind of forecast is short-term and essentially replacement only. As such, it cannot reflect the needs of the entire HKCS or individual services. This is due to the lack of

- a) several critical manpower profiles, e.g. skills, age, special qualifications,
- b) integration of organizational objectives with personnel objectives and procedures,
- c) long-range planning in the HKCS's directions and services,
- d) compilation and analysis of historical data, such as absenteeism, turnover, retirements and transfers.

Manpower planning as defined by Thomas Patten is the process of ensuring an organization in getting the right number and right kind of people at the right place, at the right time and doing the right things (Byars and Rue, 1979). Clearly, every organization needs to plan the resources needed in operations. The HKCS at present lacks an overall forecast of manpower needed in various operations. Qualified and experienced social workers and professionals are badly needed in Hong Kong. Competition in getting the right people is very keen in the field. Therefore, there is an urgent need to plan beforehand.

When planning is absent, one problem encountered by the HKCS

is that sometimes they cannot get the right people to fill vacancies. One of the directors indicated that, in order not to lessen the quality of service, they would choose to delay the work, rather than adding an unqualified person. The HKCS does very little on succession planning. If one of the senior administrators or social workers leaves, there cannot be one promoted from within easily. Though high potential staff are encouraged to take study leaves and are given close supervision, it is still not systematically planned. For example, the HKCS has sent a senior social worker for training overseas. He will return for service in a short time, but still his new post is not yet decided.

Recruiting and Selection

The present recruitment procedure is standardized. Whenever there is a vacancy in a service, the service head concerned will advise the Directorate. If the vacancy is a new one, special approval from the Directorate is needed. The Personnel Office centralizes all advertising and documentation work.

For professional grade staff (social workers, teachers and welfare assistants) or above, the Directorate is involved in the interviewing and screening of applicants. There is no rating scale used in selection, nor is job analysis used as the basis for selection criteria. Major determinants of present appointments are the candidate's past working experience, ability of presentation, analytical power and personality. Interviews are mostly unstructured. The final decision relies heavily on interviewer's

personal value judgement. In order to capture fresh graduates from universities, colleges and the polytechnic, interviews are often done in early summer.

Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. Its products, job description and job specification, are useful tools for personnel management. Their uses include validation of selection, job evaluation and career development (Flippo, 1980).

Obviously, the HKCS has not associated selection predictors (e.g. interviews) with job analysis. The present selection depends very much on the interviewer's experience and preferences. Job analysis, job specification and job description are needed to improve the effectiveness and efficiencies of the recruiting and selection process.

Staffing and Performance Appraisal

The present organizational structure is relatively flat with a minimum level of hierarchy. One crucial factor is the government's regulation governing the social service establishments. They have a very rigid subvention scheme such that any post other than those designated will not be subvented. This hinders the HKCS's restructuring of hierarchy of authority, if changes are needed.

HKCS is a multi-function agency with few similar posts. For

example, there are only one team of School Social Workers, one team of Counselling and Family Life Education Services, and two teams of Community Development Workers. Promotions within these services are very limited. This is different from those agencies that offer similar services, such as those operating ten youth centres. Workers there may have more opportunities of advancing to higher positions, say centre-in-charge or supervisor. So there might be a danger of losing top quality staff when their prospects for promotion are limited.

As the HKCS is subvented by the Government, all staff is paid according to the Master Pay Scale. They will receive an automatic pay increment each year, no matter how they perform. Therefore, the performance appraisal system is not oriented to pay increments nor to validating selection criteria. It aims rather on counselling and development of the individual staff. At present, the Staff Evaluation Sheet is prepared by the staff's immediate supervisor and discussed with the staff. The HKCS very much emphasizes this kind of interview toward the staff's development. It is a part of the profession's supervision program. Sometimes, it is used as a means to identify potential candidates for advancement or future placement. One of the strengths of this kind of performance evaluation system is that the staff's fear of being evaluated is greatly reduced as their increment or advancement is not solely determined by the evaluation sheet. However, their commitment to use the interview and evaluation sheet as an opportunity for training and development cannot be ensured.

The rating method is a very conventional type. At present, the HKCS uses different criteria to evaluate performances of social work, clerical and teaching staffs. Emphasis is on professional and work skills. Other areas of evaluation include motivation and attitude, interpersonal relationships and personal qualities. But they are not tied closely with job analysis, selection criteria or training needs. If the data are compiled and analysed, the evaluation system then can help the Directorate to quickly profile the performance of various units across the HKCS, and strengths and weaknesses are easily spotted.

Training and Development

Currently, training and development are provided in two ways; one is by on-the-job training and supervision, in-house seminars and staff meetings. The other is by studies in Hong Kong and overseas. A Staff Development Working Group headed by the Director was formed to advise on the training needs and development program for the whole organization.

The present program consists of staff orientation, visits and the staff assembly. The staff assembly consists of public lectures and discussions organized monthly for all the HKCS staff for the purpose of training. But practically, only social workers have the time to come to this assembly. Basically, development is done through supervision, both individually and by groups. However, not all services can implement close supervision, such as KTVTC, Migration Services and Medical Services. Staff retreats and

assemblies are the means used to conduct training. Staff are also encouraged to take courses locally organized by the Hong Kong Council of Social Services, Extra-mural Department of the two Universities and the Polytechnic. They can get subsidization in attending local and overseas professional conferences. The working group also prepares policies regarding overseas study leaves with or without pay. The Director also indicated that efforts will be made to develop better staff development programs, like building up a resources centre, strengthening the channel for suggestions and establishing a supervisory system.

However, the training needs and programs are not systematically planned. Study leaves are entertained upon the staff's requests. This affects the overall manpower planning and even may result in under-utilization of human resources. There is also no mechanism to identify training needs or performance deficiencies such that training effort can be more effective. Beatty and Schneier pointed out that 'few organizations seriously attempt to evaluate their training programs, frequently because of the difficulty in measuring job performance itself in order to assess whether performances are enhanced by training' (Beatty and Schneier, 1981, p.338). However, given the expenses and effort already put into training, evaluation of training effectiveness, and not only what workers thought of it, is important.

The HKCS has also not used succession planning to manage its human resources. This is particularly due to the lack of career development and planning for the senior staff. Career development

as a general term, refers to 'the systematic process of guiding the movement of the organization's human resources through various positions and layers of the hierarchy' (Beatty and Schneier, 1981, p.358). By paying attention to individual staff's career path, the HKCS can tailor training and opportunities to them, resulting in a better utilization of human resources.

Motivation and Reward System

Staff are paid according to the Master Pay Scale. The HKCS, unlike business enterprises, cannot use bonus as an incentive to staff workers. In order to compete with other agencies and attract qualified staff, various attractive benefits are introduced. These include a provident fund, a medical scheme, holidays, study and travelling allowances (details is shown in the appendix).

In general, the benefits given to staff workers are quite generous. On the average, they are even better than those offered by other social service agencies. Therefore, monetary and extrinsic rewards in the HKCS are not a problem.

Because of the unique characteristics of the social work profession team-work is very much stressed. Therefore, workers are very much involved in the decision making of most operations. Division of work is not much used due to the 'case approach' nature of social work practice. The work itself is challenging and demands a lot from the workers. They are already enriched. Therefore, morale and workers' commitment as a whole are very high, as the

workers can have much job satisfaction (Nadler, Hackman and Lawler, 1979). Therefore, in the past, absenteeism, tardiness and abuse of leave provisions are uncommon. When compared with other agencies, the turnover rate of the HKCS is relatively small. No industrial action has been taken against the organization so far.

Quality of service is very much up to standard and the HKCS's Professional Consultant commented that the workers are very dedicated and equipped with necessary professional techniques. Motivation and commitment of the workers are high. However, it is not clear whether they are motivated by their professional training, enthusiasm towards the job, the organization's motivating and reward system, or a synthesis of all three.

Service heads are now given the opportunity to sit in the ASH for agency decision making. They participate in decisions and plans that affect them. Some workers commented that the ASH is not so democratic and that policies are passed without hearing everyone's opinion. But, the structure provides the opportunity that important policies are tabled in the ASH, or at least referred to the service heads. This would stimulate the service heads' active participation in agency planning and loyalty in their representation. By so doing, they are more motivated, which leads to better managerial results.

Overall Human Resources Management

The present management subsystem does not integrate with

systematic job analysis in forming the foundation and linking the planning, selection, recruiting, appraisal and training programs. Data are not easily accessible in forming human resources plans and policies. Basically, the problem of the human resources management subsystem is the lack of planning and coordinating efforts, not in the motivation of workers.

Efforts should be made to use job analysis techniques as a foundation in formulating planning, selection and evaluation programs. Career pathing and succession planning are important ingredients in the master plan, especially in facing the present shortage of qualified senior social workers. Training should be more directed to management development in order to balance workers' professional and management techniques. Evaluation of training programs is also critical.

In an organization with over 500 employees, the present Personnel Office seems too small. Limited manpower will very much hinder further development in human resources management. This will also confine the office to routine personnel administrative matters. In order to carry out the personnel function in a more efficient and effective way, a Human Resources Officer may be needed. Also computerizing all documents would be of much help in preparing staff profiles and manpower plans.

Improvements

The present Personnel Office focuses most of its effort on the

administration of staff routines; little actual human resources management is done. In order to better utilize the HKCS's human resources, restructuring and redefinition of the jobs of the Personnel Office from clerical routines to managerial work are required.

The foundation of all human resources management work is job analysis (Flipppo, 1980). Once analysis of each job is made, the HKCS can start planning on the manpower needed in the future. There are two alternatives to carry out manpower planning in the case of the HKCS. The first alternative is to involve all service heads to the formation of a committee on manpower planning. The second alternative is to leave the planning work in the Personnel Office, but all service heads would be required to submit their budgets to the office. Under either of the two alternatives, the Directorate should be involved in the planning also, as they are in the position to forecast the manpower needed due to the organization's expansion of existing or new services in the near future.

The first alternative is very good if the HKCS aims at participatory management, but it has certain weaknesses in the present HKCS situation. These include: 1) The committee will increase the workload and burden of the service heads, 2) Conflicting interests might be present in the committee meetings and result in poor manpower decisions, 3) As they are mostly professionals, service heads might not be familiar with or have interest in planning techniques.

The second alternative can overcome the above weaknesses because the work is being carried out by an isolated body. The service heads are consulted, and their requests can be considered. Conflicting interersts can be reduced by the absence of face-to-face meetings. However, to support such a planning function, the present establishment of only one Personnel Assistant to the Assistant Director is obviously not feasible. The second alternative requires an investment of both human and financial resources in increasing the efficiency and effectiveness of manpower planning.

A Personnel Officer equipped with management techniques can be of great help to the personnel functions. This officer can collect all information from service heads and the Directorate and can prepare the planning independently. The results are then reviewed and approved by the Directorate, and, subsequently, all service heads during the ASH meetings. This additional staff can also be responsible for all adminstrative, control and development work of the Personnel Office with the help of Personnel Assistant and under the supervision of the Directorate. This would relieve the Assistant Director's work in direct supervision of routines. Present development work is done by the Director and a working group, but, to be consistent with other personnel functions, it would be better carried out in the Personnel Office.

It is felt that a large staff expansion in the present Personnel Office is not viable as development should be carried out gradually. Dale pointed out that 'sweeping organization changes introduced overnight are likely to destroy organization efficiency'

(Dale, 1978). The addition of a Personnel Officer is the start of making changes. His planning and control work can be helped further by making use of a microcomputer. Present microcomputer technology can provide necessary information and forecast sensitivity analysis easily and with little cost. The HKCS should make an in-depth study on the feasibility of using a microcomputer in increasing efficiencies.

Planning should not be limited to routine program needs, the Personnel Officer should also formulate strategies in the supply of manpower for the organization's future needs. However, this would require a prior setting of the organization's overall objectives and strategies of expansion, such that the Personnel Office can support its growth. Job analysis is powerful not only in the planning of human resources; it is also found useful in validating selection and in training and development. A re-emphasis of the use of the appraisal interview in personal development is necessary. The present Evaluation Sheet is somewhat too vague and cannot identify the actual potential of each staff. Evaluation based on job analysis would be a better approach.

It is obvious that there is no one-shot, all-round best solution for human resources management. The HKCS should therefore constantly review the present improvements and introduce necessary changes gradually.

CHAPTER VII

FINANCIAL MANAGEMENT SUBSYSTEM

Finance may be defined as the effort of providing funds for purchase of goods or services. Financial management thus refers to the planning and control of financial resources, e.g., the justification of expenditure, the selection of methods of financing asset needs and so forth.

Situational Analysis

Financial management in the HKCS is within the jurisdiction of the Deputy Director who is assisted by the Chief Accountant and his staff in the Finance Office. Operation in this office is quite simple as it deals mainly with the bookkeeping and disbursements. The HKCS does not have a controller nor an internal auditor. The only sensitive area here is the payroll, which is handled solely by the Chief Accountant. Employees' duties are not rotated unless a casual vacancy takes place.

There appears to be adequate books of account which are kept up to date and are balanced monthly. Major expenses and costs are under budgetary control, and journal vouchers are approved by a responsible staff, usually the service head, up to a prescribed authorization limit. Approval from the Directorate is required if the limit is exceeded. Depending on the nature and the activities

of the service, imprested petty cash systems are installed and unit heads are delegated to approve minor items.

As accounting is centralized, there is little control exercised over service operations other than those mentioned above. Though unusual variations in operating and other special figures are highlighted, internal reports to the Directorate are basically historical. In other words, they are of little value for planning and control purposes.

Problem Identification

The major deficiency in the financial management subsystem is the lack of financial planning. This probably is the consequence of the absence of a clearly defined financial objective. In order to perform the functions of financial management effectively, there should be a well-defined goal or objective. Unlike business organizations, the HKCS is not profit-motivated; its focus is primarily on social benefit, which is extremely difficult to measure in monetary terms. This, however, does not mean that financial planning is not required.

While the financial manager of a business firm must seek a balance between two conflicting aims: a high rate of return on investment and sufficient cash to meet the obligations undertaken, the primary objective of financial management in a non-profit making organization like the HKCS is to maintain liquidity at the least, and where possible, to ensure that financial resources are utilized

to maximize social benefit.

Financial Planning

Financial planning is the process of viewing the presumed results of prospective financial actions in a systematic fashion. Planning encourages thinking ahead and evaluating the possible effects of alternative strategies. It forces coordination of the various services into actions consistent with the objective of the organization. According to Glueck, planning helps managers to cope with change and leads to feelings of success and satisfaction by employees.

Planning may be divided into period planning and project planning. Period planning involve projections of activity over specified periods of time in the future. Project planning is the analysis made to decide on alternatives in a specific project or proposal. It involves an estimation of future revenues and expenditures over the project period.

Budgets are written period plans expressed in quantitative terms. The period covered and the type of budget prepared depends strongly on the purpose for which the budget is prepared. The budget should cover a period long enough to make effective planning possible but short enough to avoid large risks of errors in the estimation. A number of techniques are available to facilitate budgeting. If the budget is being prepared for day-to-day cash management, cash budgets will probably be required; if the

organization wants to know what additional financing will be needed, a pro-forma balance sheet or fund statement will be useful.

In project planning, there is also a number of quantitative techniques available to management: the payback method, the internal rate of return method and the net present value method in capital budgeting. These can be applied when an investment is to be made and a number of alternatives are available. Another application may be the allocation of funds to the various programs.

Financial Control

If plans and projects are to be launched successfully, they must fit the financial capabilities of the organization. Estimation of these capabilities cannot be made without an analysis of the immediate position. Balance sheets, income statements, fund flow statements and financial ratios may provide a portrait to management. However, financial accounting alone is not sufficient to aid management control. Management accounting can provide better information for planning and control.

Management accounting, as defined by Anthony, is the process within an organization that provides information used by an organization's managers in planning, coordinating, and controlling the organization's activities. Management accounting information reports the effects of all events, routine or non-recurring. Many of these can be prepared by regrouping and extending financial accounting information. Thus, the cost of control information is

not expensive.

If management is interested in controlling and evaluating the performance of a particular service or unit, its costs may be allocated to a separate cost or responsibility centre and re-classified into controllable and uncontrollable costs. If a program is self-liquidating, costs may be classified into fixed and variable components so that a breakeven analysis may help the cost and volume decisions.

Recommendation

The HKCS should take more initiative in managing its financial resources. First, the agency should define its own financial goals and objectives. These functional objectives must be consistent with the organizational goals and objectives. Once these are defined, planning can be done and actions be taken to achieve the target. A control mechanism provides information on the effectiveness and efficiency of the performance. It alerts management to take proper corrective actions whenever the variance between the budget and the actual amount differs significantly. The Chief Accountant should leave more of the technical tasks to his subordinates and concentrate his efforts on monitoring the effects of financial decisions and advising the Directorate of the results.

CHAPTER VIII

INFORMATION MANAGEMENT SUBSYSTEM

Introduction

Management is a scene of information flow. A piece of information is valueless if it is not understood, accepted, or, simply, not communicated to the recipient. Good communication provides effective information for managerial decision making. Therefore, as in managing other organizational resources, it is also very important to manage information properly.

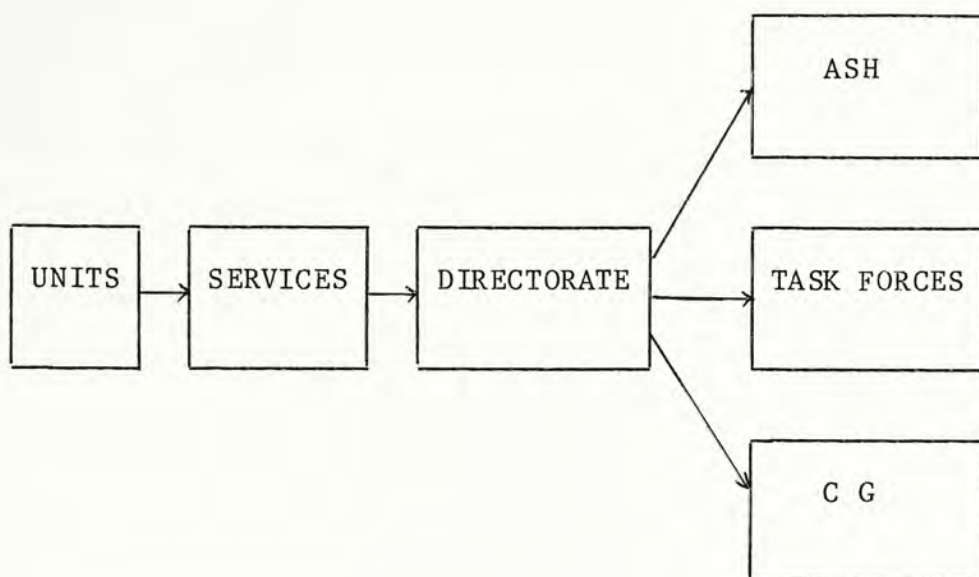
This chapter will deal with how the HKCS manages their information for managerial decision making. Detailed information flow within each service will not be discussed as that is a largely operational matter. An overview of top management informational requirements will be made. A preliminary analysis of the relevance of a computer-based information system is provided after the discussion of information needs.

The HKCS is a physically distributed organization, but most policy decisions are centralized in the Central Administration and various committees. This requires a large amount of informational exchange between the various services and Directorate. At present, the primary communication channels are: committee meetings, written reports and verbal communication through telephone and supervision. Most of the time, information is disseminated through personal

communication and written reports.

Written reports received by the Directorate are largely factual description and statistical figures of programs held by various services. Due to the difference in services delivered and organizational structure, the reporting format and frequency are not standardized. For example, Pui Oi gave the Assistant Director monthly reports on activities performed, but Foster Care Services gave only statistical figures. Day Care Centre unit heads have written reports sent to the Coordinator, but no report was sent from the coordinator to the Assistant Director. Children and Youth Centres mostly did their reporting to the supervisor orally, though written reports are required.

Nevertheless, all units follow a similar pattern of information flow depicted below.



Nearly all services report their progress to the Directorate concerned, and then the Directorate or service heads will spread the necessary information to others through various committee meetings, e.g., the ASH, the CG and Task Forces. Communication between similar services (e.g. within Day Care Centres) is carried out by making use of floating files. These are files containing written reports and relevant incoming and outgoing mail, circulated among the unit heads. By this means, centre heads are kept informed of what is going on in other centres and the Directorate office.

Downward communication is done by internal memorandums and circulars. The ASH is made use of as a place to collect and disseminate agency-level information.

Information Needs

The HKCS is a large, diversified and distributed organization, but the information required by Central Administration and service heads is not very large or urgent. This is primarily because the decisions made by senior management are either routine or where not much immediate response is required. This is unlike operations in business sectors, such as banks and airline agencies. For most service level operations, standard procedures and guidelines are provided. This would eliminate certain unnecessary information exchange. However, it is noted that some policy manuals are outdated and that a new practice has been started but not revised accordingly in the manual.

The information processing requirements, viewed by researchers, are determined by a) the volume of data elements involved b) the complexity of required data processing operations c) processing time constraints, and d) computational demands (Burch, Strater and Grudnitski, 1979). With these criteria in mind, the degree of sophistication of information needs in the HKCS can be analyzed.

The analysis is done on the three levels of management, namely the service level, central administration supporting level and the Directorate level. The nature of services delivered by the HKCS is mostly personal and in a 'case' form, e.g., counselling, school social work, and day care services. These services do not require a large volume of data to be processed in order to achieve information

goals, nor are the data elements complex. Often the time constraint is not severe and not much computation is required. However, for some services, the information processing requirement is different. For example, scheduling of classes and courses in KTVTC and drugs inventory control in the clinic often require a larger volume of information, and sometimes data are interrelated. Therefore, each separate service or unit has a different degree of information sophistication.

For the Central Administration, operational level information requirements are chiefly in personnel and financial functions. Most work in the Personnel Office is done on processing payroll records. While in the Finance Office, the jobs are mainly bookkeeping and fund request processing. For the General Office, the major routine information processed consists of inventory records of stationery and sanitary items. The information requirements of these activities are not very large or complex; the time constraint is not severe and there is little computation demanded, except payroll records, which require relatively more computation. Therefore, at present all this work is done manually, and few unsatisfactory results are expressed by the functional heads.

Most Directorate decision making is operational, like signing vouchers and checks in fund disbursement. For some higher level decisions, such as planning programs and staff needs, the work is mostly done in committees, like Task Forces and Consultative Group. These decisions usually require a deeper understanding of the services and the social work practices, rather than a vast amount of

statistical figures. Also, most of the decisions are unstructured, that is, not capable of being programmed or stated in a procedural way. Therefore, filtered information is helpful for the Directorate (Burch, Strater and Grudnitski, 1979). Reporting based on the exception principle, which highlights informational areas requiring further investigation, is important for the senior management. However, at present, the Directorate does not receive standardized reports from various services. Information is obtained largely through close supervision or conversations over the phone. This would depend very much on the Directorate's screening and power in extracting information as well as on a sensitivity to problem indicators.

One of the main functions of information is to help control the activities performed. But presently, as reporting is not unified and evaluation yardsticks are vague, little objective control can be done. The Directorate needs a better reporting procedure and better reports to measure the performances of each services and programs.

Generally, all information relating to program activities can be obtained in the central office, but this is fragmented and unprocessed data. It is easy for the Directorate to know what has happened in each service in the present situation. But it cannot provide readily grouped, classified and compared data for immediate planning decisions. This is due primarily to the unplanned data collection and reporting system.

Computer-based Information System

When an organization grows, its information processing requirements becomes more complex. The present advances in computer technology help large organizations to process data and make them useful for many managerial decisions. An alternative for The HKCS to improve the present information and communication system is to upgrade it to a fully computer-based one. However, to change from a manual information system into a fully computer-based information system is an Herculean task. Economic, technical and operational feasibilities should be thoroughly considered before adopting an automated system.

A preliminary analysis of the information needs and constraints faced by the HKCS revealed that a fully computer-based information system is not an immediate need for the organization. Major reasons are discussed below.

1) Normal information requirements of the Directorate and central administration are not so voluminous, complex or timely. Though occasionally real-time information is needed that would greatly improve the quality of decisions, full computerization is still not justified in view of the economic and human resources required. As current decision making does not depend on a huge flow of information, the improvement in decision effectiveness and efficiencies resulting from computerization would be very little.

2) The greater interdependence the services, the greater the need

of communication between them will be. But the HKCS is a multi-function agency with little overlapping services. Communication can be done over the phone, by internal memorandums or even wait until committee meetings. Not much on-line to-and-forth communication is required. Also, since the services are located in many distant districts, a distributed data processing system would be very expensive and difficult to maintain. Such a computer system would not be cost-effective, but rather will increase coordination cost.

3) The deficiency of the present system is not in its lack of capability to cope with the organization's expansion, but rather in the lack of planned and systematic reporting procedures. Therefore, a computer-based system would not alleviate these deficiencies, but, on the other hand, it might lead to larger confusion and even resistance from operational staff.

Improvements

A computer-based information system is obviously not the panacea for all communication problems. But it does not mean that a computer would be of no help to the HKCS. It has been shown that a fully computerized system is not urgently needed in the HKCS to provide relevant information, but the use of computer can help a lot in the data processing functions. Certain information required for manpower planning is not utilized at present due to the lack of staff in preparing such kind of information. Preparation of age profiles, skill profiles, turnover rate and other statistical

figures all require a very long time if done manually. But with the help of computer, only routine updates would be required. For the Finance Office, computer packages can save much time in various bookkeeping and accounting work. Therefore, the staff can spare more time to control expenses, prepare and analyze financial reports and thus improve the overall financial management functions. By making use of microcomputer technology, senior management will have more relevant information for personnel and financial planning and thus will make effective projections. The HKCS is recommended to make a thorough study of the use of the microcomputer in various applications.

Manuals and standard operational procedures are important tools to guide routine operations and reduce unnecessary communications. Such areas as fund disbursement, material control and program reporting should have updated operational guidelines. When coupled with a formal reporting system, routine operational reports can be ensured to be passed up to the Directorate level within a reasonable time. If the filtering method is used, only the required information will be sent to the appropriate level of management. This would greatly reduce information retrieval time as irrelevant information is not communicated to the staff concerned. The Directorate can also be relieved of the burden of receiving a huge pile of information, which is mostly not relevant to strategic decisions.

In order to improve the effectiveness and efficiency of the present system, an abrupt change in communication and information

processing methods would not help much. Consideration of how to communicate only the necessary information to the one who needs it would make the system more effective. Filtering method can be a means to achieve this objective. By setting up a standardized reporting procedure, required and timely information can be obtained, in such a way, that efficiencies of the system can be enhanced. This would require a careful study of the precise information needed in each level of management in the HKCS, such that meaningful reports can be constructed.

CHAPTER IX

RECOMMENDATION

Definition of Objectives and Long-term Planning

As mentioned in the first chapter, the objective of the audit is to locate problem areas and seek the opportunity to improve the organization's effectiveness. A major deficiency is that the agency does not have any long term planning. Although planning does not necessarily ensure managerial success, it helps to prepare the organization for the future and the achievement of its objectives.

Studies have shown that organizations that plan consistently perform better than non-planners. Planning is more important to some organizations than to others. Because of its size and complexity, the HKCS should benefit significantly from planning its resources in the volatile environment. (Glueck 1980, p.205)

The initial step in the planning process is setting objectives, which are actually the outcomes the organization aims to achieve in its operations. For planning and controlling to be effective, a clear definition of the objectives is extremely important to an organization. Knowledge of the objectives helps the workers to relate what they are doing to meaningful outcomes.

The absence of a clearly defined objectives statement in HKCS resulted in poorly co-ordinated activities. The management should

therefore spend some time in clarifying those activities they are now involved in and what they want to achieve in the future. Though not explicitly specified for any particular purpose, the CG apparently is preparing to look into the distant future. The preparation of the position papers of each service unit reveals to top management the present environment in which the HKCS is situated. Upon examination of the first drafts of the position papers, the writers found that the objectives, the clientele, the service delivery model adopted, the organization and difficulties confronted were all listed.

Three Alternatives for Organizational Objectives

There are a number of alternatives in determining the organizational objectives. One of them is to have the Directorate review the present situation and decide what they want to achieve in the future. Then all of their ideas would be communicated to the service heads, who are responsible for initiating proper projects and programs to achieve the objectives in the short run and the long run as well. This alternative is very efficient because the objectives are defined solely by the Directorate --- negotiation is not necessary and consultation time is minimal. Another advantage is that the decision is not adversely influenced by the workers, who might, for example, want to exclude those that are more difficult to achieve. On the other hand, such an attempt will somehow be handicapped by the capability of the Directorate in perceiving the real needs of the society. In order to implement this alternative successfully, the Directorate must develop clear, meaningful and

attainable objectives. Otherwise, it may not receive support from the workers. One trouble with this alternative is that this is not consistent with the existing management style; the service heads may be offended as they formerly were involved in all important matters concerning the agency ab initio.

A second alternative is to consolidate the different service objectives from the position papers into overall agency objectives. Such an approach involves the service heads indirectly without reducing efficiency. Not only is this alternative time saving, it minimizes the risk of ignoring some of the important points by making use of the mastermind exercise. This alternative would probably be better received by the workers than the first one simply because it is consistent with their perceptions and expectations. A major defect of such an approach is that only the common factors are included and the objectives so developed may perhaps be too general and vague to follow. Weighing the significance of each of the objective statements should therefore be exercised with due care and diligence.

One wonders if there should be a specific set of objectives for a complex organization such as the HKCS. A third alternative is then to have the agency's scope of activities defined by the top management with the service units urged to set their own long-term objectives. These objectives are then submitted to the Directorate for approval and annual review. Undoubtedly, this alternative will involve more time and effort from the Directorate and the service heads. However, this may be the best among the three alternatives

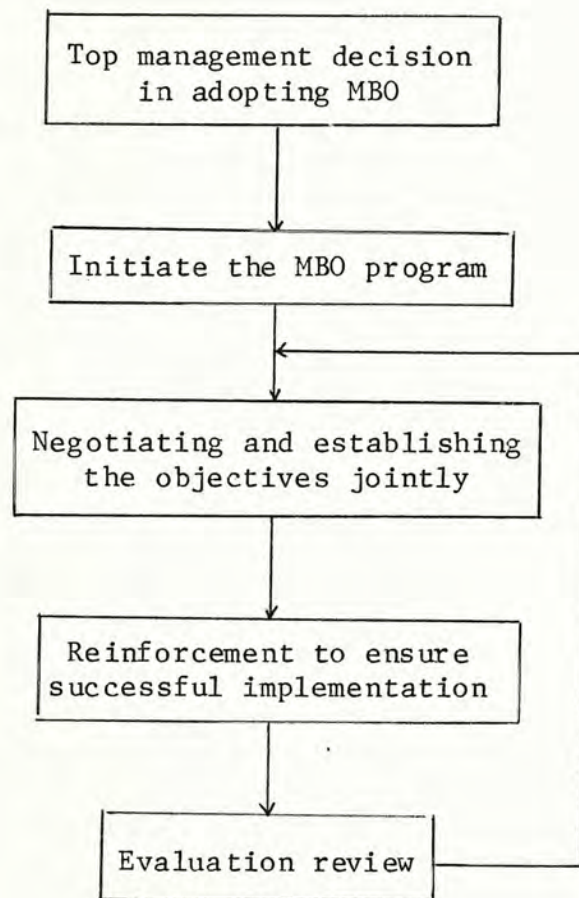
since it does not involve any abrupt changes in the existing management style. Discussion with the service heads about the objectives of his/her service unit seems to be a natural consequence of the preparation of the position papers. In addition, the service heads can more effectively tie what they do to the unit's objectives if they have participated in the planning process. Knowing what is expected from them, they will find their work meaningful and feel successful when the defined objectives are achieved. This is what the writers considered to be the best alternative for the HKCS in defining its objectives.

Objectives should not be the desire of top management alone. Nor should they be percolated from the workers. In determining the objectives, the Directorate must satisfy the needs of all the interested parties. Government agencies, employees, clients, and general public may have conflicting objectives. These conflicts must be identified and somehow compromised. In other words, the choice of the service objectives will be affected by the unit's available resources, the environment and the attitude or the value systems of top management.

Management By Objectives (MBO)

Having the objectives defined, the agency may proceed to select a suitable planning mechanism. In the midst of the various planning models applicable, the writers would like to recommend the Management By Objectives (MBO) approach. This particular planning and control system provides management opportunities to re-negotiate

and evaluate the objectives from time to time. This is extremely important to the HKCS because of the volatile environment in which it is situated and the changes in the relative importance of the social needs in different times. The system can be modelled as follows:



MBO is actually a series of processes in which the Directorate and the service heads will work together to identify the needs, assign responsibility, and determine deadlines for every aspect of the unit's operations. The objectives so defined for the service units must be precise, measurable and reasonably attainable.

Since MBO is such a popular management technique in planning,

almost any book on general management will give a detailed description of the actual process. Therefore the writers decided not to elaborate on the procedures. However, top management, especially the Directorate, is encouraged to spend some time reading, listening and actually working through the exercise in Morrissey's cassette program on 'Management By Objectives' in order to understand the process.

One final remark is that MBO cannot be successful without any of the following: top management support, adequate explanation of the process to personnel involved, sincere commitment by the workers, and sufficient reinforcement.

Organization

According to Nadler, Hackman & Lawler in Managing Organizational Behavior, organizational effectiveness appears to result from a complex interaction of a number of factors. There are very few absolute rights or wrongs. What is right for an organization depends, at least partially, on factors such as the people it employs and the environment in which it operates. The way organizations are designed and managed thus have a strong impact on their effectiveness.

Organizing is the process by which the work is divided up among units and employees (division of labour) and then these units and jobs are linked together to form a unified system (coordination). (Glueck 1980, p.335)

When faced with a task and an assembly of workers to perform the task, management makes design decisions when determining how to group individuals and link them together. Therefore, organizational design is usually the result of day-by-day decisions. In addition, the related elements of job design and rewards systems, aggregation, intraunit relationships and interunit relationships should be considered in the organizational design process.

The present organizational structure of the HKCS is the consequence of a series of changes in the past. The writers cannot find any evidence of any formal organizational structuring process prior to 1980. The Consultative Group on Development (CG) and the Assembly of Service Heads (ASH) are the only co-ordination mechanisms recently formed to improve overall agency effectiveness.

Current Structure of the HKCS

There are several alternatives in grouping organizational units: functional departmentation where people performing similar functions are grouped into a department, divisionalization by product or service lines, geographical regions, and matrix combinations. The existing structure of HKCS consists of product divisions --- service units and a few functional departments --- Central Administration, Finance Office and Personnel Office. This combination of grouping service units gives better service to the clients and makes good use of the organizational resources.

The writers have no intention of trying to reorganize the

agency, especially when there is no obvious demand for such efforts. Any major change in its structure may bring in new problems and a lot of work. However, the writers are reluctant to describe the existing organizational structure as satisfactory. A casual look at the agency's organizational chart would arouse query as to the effective discharge of duties of the Directorate. The span of control of top management, the Deputy Director in particular, is unduly wide.

Span of control - the number of people reporting to the manager - is influenced by a number of factors: the people involved, the job involved, and the environment. The personal variables are managerial preferences and competence. The job factors include the nature of the manager's job, its relative importance, the need for the subordinate to consult with the superior, and the degree of similarity or standardization in the employees' work. Spans of control increase as volatility and dependence increase. They are also influenced by technology. (Glueck 1980, pp.379-380)

In the writers' point of view, the link between the Directorate and the service heads is the bottleneck of the organization where improvements may be made. Can the quality of work be further improved if the quantity is reduced? What would happen if, for example, the present Deputy Director vacates his office? Who can take over his job gracefully?

Three Plans to Re-structure the HKCS

Different alternatives are available to improve the existing structure. One idea from a senior executive is to increase the membership of the Directorate so that one new member would assist the Deputy Director in coordinating and controlling the operations

of the various service units, leaving the Assistant Director to take care of the administrative functions. The advantages of this alternative are that the workload of the Deputy Director would be reduced and the quality of decisions may be improved because of the narrower span of control. The trouble is that it conflicts with the Directorate's desire to rotate duties among themselves. Explicit definition of roles and duties of individual members of the Directorate may not be desirable.

Thus, a minor amendment to this alternative may be more satisfactory --- to add a new member to the Directorate so as to reduce its existing heavy workload and improve future performance. Division of labour among the members of the Directorate may change from time to time as they see fit. The expected benefits of this alternative are better coordination of the services, better succession provision and better reception from the service heads and the workers. The writers did not foresee any difficulties in implementing this alternative since the members of the Directorate are well educated people with open mind, and their staffs are devoted social work professionals seeking to improve the performance of the agency.

The second alternative is to install one additional management level in between the service heads and the Directorate. These officers are then assigned with the responsibility of monitoring and supervising specific service units and of serving as the Chairmen of the 'task Forces,' which actually are standing committees comprising of service heads and senior staff members the Directorate may

appoint from time to time. The objective of introducing this hierarchical change is again to improve the coordination between the Directorate and the service heads. With routine tasks delegated to this new group of subordinates, the Directorate can then spend more time in making strategic decisions for the benefit of the agency in the future. One possible drawback of this alternative is that the introduction of a new management level on top of the service heads may adversely affect their morale and their active participation in the future. Management should take considerable care in examining this issue before deciding to adopt such an alternative.

A third alternative is to make better use of the district coordinators who may now be given additional authority and responsibility in supervising the various service units inside his/her jurisdiction. Such a minor change should not arouse more serious negative reaction from the workers than from the second alternative just mentioned above. With effective delegation, the workload of the Directorate will be reduced and the district coordinators will be given more development opportunities. Top management should, however, consider the workload of the district coordinators and the uneven geographical distribution of service units. The competence of the district coordinators in supervising services other than their specialisation should also be considered with a great deal of care. Gradual changes may be more advisable if there were a need to replace any of the district coordinators in assuming this new mission.

In the writers' opinion, the first alternative is the most

suitable for the HKCS for the time being. The management should be aware of the fact that there is no one best way to structure an organization. What structures are the most effective will be contingent on the nature of service that the agency and the individual units have to perform. The writers are merely visitors to the organization, and the Directorate is in a better position to evaluate the feasibility of the different structures because of their understanding of the tasks, the individuals and the groups within the agency. The above analysis is merely an attempt to draw the Directorate's attention to the matter and may perhaps provoke some serious thoughts from the latter.

Human Resources Management

In addition to the planning and organizing of the agency, there are several issues in the subsystem level that justify management action. As regards human resources management, the key problem is the lack of a systematic and coordinated plan for all personnel functions. Since the work of the Personnel Office involves all the service units, top management may involve all the service heads in carrying out its manpower planning work, or an ad hoc committee may be formed, or the Personnel Office may be delegated with full authority to handle such work.

The first alternative of involving the Directorate and all the service heads has the advantage of full participation from management. In the planning process, they will be exposed to the

problems of all service units within the agency and can thus help to develop solutions. The drawbacks of this alternative are extra workload to the service heads, the possibility of conflicting interests, and that some of the service heads may not be familiar with or may not be interested in the kind of work concerned. These drawbacks, however, can be lessened if a committee is formed comprised of the Directorate and those volunteer service heads who have shown interest in taking part in manpower planning and are willing to devote more personal time to this particular work.

The other option is that the Personnel Office be delegated with full authority and responsibility for carrying out the necessary manpower planning work. Thus the work can be centralized and executed by an independent unit, and the workload of the service heads can be reduced. If this alternative is to be successful, cooperation between the Personnel Office and the various service units is extremely important. Another pre-requisite is the service of a capable Human Resources Officer experienced in developing and implementing personnel administration systems. He/she may use job analysis as the basis for all planning work and set up criteria for selection and appraisal.

The writers would recommend that the HKCS adopt the last alternative. Recruitment of an experienced Human Resources Officer would ensure the quality of administration and that the Directorate be relieved of trivial routines so that they would concentrate their efforts in more important decisions and planning.

Financial Management

The major deficiency in the Finance Office is that the department devoted too much time to routine recording activities and failed to plan and control the financial resources of the agency. If financial management can be described as the process of monitoring the effective acquisition and use of financial resources, one will find that there is little financial management in the HKCS. Aware of the fact that the management does not have any direct control over the sources of funds, the writers think that at least the use of funds should be allocated according to some objective criteria. In addition, there should be a well defined set of financial objectives for the agency.

As suggested by the writers in Chapter VII, the financial objective of a non-profit making organization is to ensure that its financial resources are utilized to maximize social benefit without impairing its liquidity. Obviously; the HKCS may have its own objectives differently defined; the critical point is that the agency should develop a set of selection criteria to evaluate the programs or projects it should implement or participate in. These criteria facilitate management decision in justifying any particular venture by comparing the expected cost and benefits.

In addition to the Cost and Benefit Analysis approach, management may consider the Zero Based Budgeting method in deciding which programs should be implemented and how much funds should be allocated. Though a little bit more complex than the first

alternative, Zero Based Budgeting has several advantages.

Regardless of the method or technique the HKCS decides to apply, the writers are more concerned with the results of the changes. In their opinion, the HKCS needs an efficient financial reporting system that informs management of the performance of the individual services periodically and of significant variances whenever they occur so that appropriate actions can be carried out to improve the situation.

In order for the Chief Accountant to have more time in tackling these more important managerial functions, his existing workload must be reduced significantly since the design of an effective financial control system takes a long time and the concentration of much effort. A simple and inexpensive alternative is to delegate many of his routine tasks to his subordinates. The disadvantage is, however, the workload of the existing staff is already heavy. Some of the staff of the Finance Office may not have the necessary knowledge and skill to take over the work. On the other hand, it may be a good chance to train and develop the staff members. Morale and loyalty may be improved as a side effect of this alternative as the work of the staff members are enriched.

Another alternative to reduce the routine tasks of the Finance Office is to increase the authorization limits of the service heads in approving purchases and the size of petty cash floats. This will reduce the number of disbursements directly handled by the Finance Office and also the time of the Deputy Director in approving

acquisitions. The amount of increase in each case should be considered individually by the Directorate and the Chief Accountant. Historical records may help in the setting of these limits by providing information on past performance. The writers cannot visualise any difficulty nor any disadvantage in implementing this alternative.

A third alternative is to decentralise the bookkeeping work. Though the workload of the Finance Office is thus reduced, the work will be handled by amateurs in the various service units. The quality of work may suffer and control be weakened. In other words, this may not be a desirable alternative.

Information Management

As the HKCS is physically widely distributed, information flow has a strong impact on the effectiveness of the organization. The major difficulty, where there is little or no information management, is the lack of filtered and structured information for top management decisions.

Though a formal management information system would be good for the HKCS, the design of such a system requires much time and effort. In view of the resources available, the writers do not recommend the undertaking of any overall informational analysis. Efforts should be concentrated in specific functional areas such as financial analysis, human resources management and program

evaluation and control. Implementation of this alternative is much easier since the decisions of the specific areas under study are less complex and more structured.

Another option the writers would recommend for top management consideration is the use of a microcomputer in data processing and information management. Despite the heavy investment of time and money, a computer-based information system can provide management quick access to the data base where it can obtain up to date information on the performance of the various services. Furthermore, the amount of clerical work in the Personnel Office and the Finance Office can be reduced significantly when special software packages are designed to execute the routine tasks.

Though the writers suggested several techniques in Chapter VIII for analyzing the informational needs, it is obviously not feasible for them to offer any concrete procedures in designing a specific management information system for the agency. Professional assistance in the conversion is extremely critical if a new system were to be efficient and effective.

CHAPTER X

CONCLUSION

Nature of this Report

The HKCS has demonstrated its ability to serve the public since its establishment. This success has led the HKCS to gain its reputation in the local community and rank among the best private social service agencies. Despite the good performance, the management of the HKCS asked for a management audit to reveal the strengths and weaknesses of the agency such that performance can be further improved. A closer examination indicates several areas of improvement in the administrative system. However, readers of this report are reminded that they should interpret the findings with great care. Because the particular nature of this research is to locate problem areas and possible opportunities for future improvement, the picture revealed in this report shows a partial view of the organization only. The research highlights all the negative aspects in the administrative system and fails to portray the HKCS in its entirety.

Improvements

In order to cope with the rapid environmental changes, the HKCS should focus their effort on meeting the new social needs and on being effective in order to survive. This will require a check on the organization's resources and areas of competence such that

opportunities can be exploited.

It is suggested that a clear definition of the agency's mission and objectives be the starting point of formulating improvement plans. Having the vision to position the HKCS in the areas of strategic competence is a challenge to the HKCS management. The current innovative spirit in experimenting with new services to the public is certainly an asset of the HKCS. The dedication of the staffs and the management's concern and enthusiasm in organizational development are also important ingredients of their future success.

The emphasis on formal planning, which resulted in corresponding changes of management concepts in the personnel and financial areas, will certainly impose some hard times on the staffs, but it is believed that these changes will benefit the organization in the long-run.

Constraints

The major constraint in the carrying out of this audit is the limited time available. As a result, no external verification was performed. The review is primarily reporting on the information extracted during the interviews with the Directorate and the selected service heads. The diagnosis, thus, could be extended. However, the writers have tried their best to avoid omissions and misinterpretations.

The areas examined and alternatives generated are not

exhaustive. The management of the HKCS may have a further in-depth audit on other areas of operations. Research on some critical issues, for example the program evaluation yardstick as a control device, is certainly worth further investigation.

Final Words

Finally, the writers wish to thank all the participating staff again for their friendly reception and cooperation in assisting the audit. The writers are also obliged to the management of the HKCS for providing them with such a good learning experience, and to Dr. John P Cragin and Mrs. Joy Scott for the kind assistance in the preparation of this report. It is the hope of writers that this research will help the management of the HKCS to know the strengths and weaknesses of the agency better and give insights to them to further improve its effectiveness.

With the support and commitment of the Directorate in effecting changes, coupled with adequate agency planning and dedication of all staffs, the HKCS may eventually harvest high payoffs.

Appendix I

List of people in the Hong Kong Christian Service being interviewed by the writers during October, 1982 to February, 1983.

Rev. Kwok Nai Wang	Director
Mr. Ng Shui Lai	Deputy Director
Miss Woo Shuk Sing, Betty	Assistant Director
Mrs. Irene Allinson	Professional Consultant
Mrs. Ho Lo Chok Ying, Jane	General Office Manager
Mrs. Ho Tse Shui Jing, Esther	Team Leader, School Social Work
Mr. Hsu Wen Kuang, John	Chief Accountant
Mrs. Lau Lee Lai Fong, Catherina	Coordinator, Day Care Centres
Mrs. Anita Mak	Clinical Psychologist, Infant Stimulation Project
Mrs. Poon Tse Ching Yee	Nurse-in-charge, Clinics
Mr. Yau How Boa, Stephen	Supervisor, Community Development and Children & Youth Centres

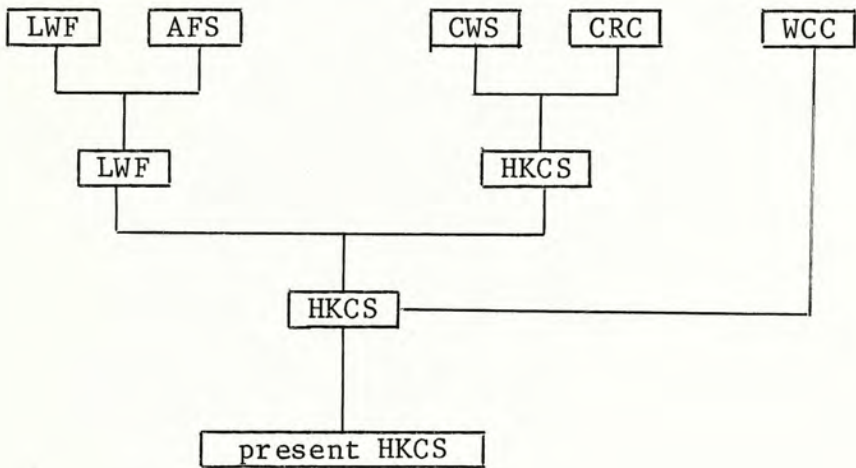
Appendix II

Question checklists are extracted and modified from the following sources:

1. Cragin, John P., Human Resources Management Audit, unpublished material
2. Lindberg, Roy A. and Cohn, Theodore, Operations Auditing, N.Y.: AMACOM, 1972, pp. 213-303
3. Thierauf, Robert J., Klekamp, Robert C., and Geeding, Daniel W., Management Principles and Practices - A Contingency and Questionnaire Approach, Santa Barbara: John Wiley & Sons, 1977
4. Washbrook, H., The Board and Management Audit, London: Business Books, 1978, pp. 227-254

Appendix III

Diagram showing the merging of five church social service agencies occurred in the Sixties and Seventies

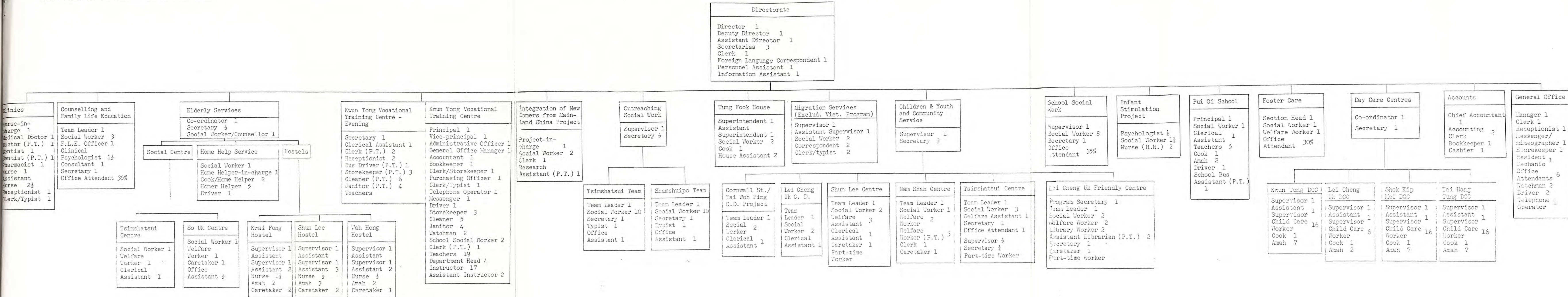


- LWF: Lutheran World Federation
- AFS: American Friends Society
- CWS: Church World Service
- CRC: Christian Relief Council
- WCC: World Council of Churches
- HKCS: Hong Kong Christian Service

Appendix IV

Establishment and Organizational Structure of
The Hong Kong Christian Service

(folded page)



Appendix V

Summarized Employee Benefits of HKCS

1. Provident Fund - Compulsory, employee and HKCS each contributes 5%, including group life insurance
2. Medical Scheme - a) Free for consultation in HKCS Clinics, nominal fee charged for employee's dependents
b) For consultation with other physicians, there will be a refund of HK\$30 or 2/3 of consultation fee, whichever is the lower
3. Holidays - a) Annual Leave: 16 days for those employed less than five years, and 21 days thereafter
b) Maternity Leave: 4 weeks full-pay and 6 weeks 2/3 pay
c) Sick Leave: 16 days per year
d) Marriage Leave: 7 days
4. Allowances - limited housing, travelling and children education allowances

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摘要

管理審核為有系統地檢討某機構的管理操作表現，目的在尋求提高管理系統的有效和效率的可行方法。本文作者採用了管理審核的形式來分析本港一知名的社會服務機構——香港基督教服務處的行政系統及其有關連的各個次系統。

在這項研究中，作者著眼於一般管理、人力資源管理、財務管理及資訊管理的次系統，同時亦注意總辦事處及各小組委員會的工作和關係，從而分析各個次系統內的組織架構及其策劃和控制的技巧和手法。

作者從各次系統的分析中，找出若干主要問題領域加以探討，並提出一些改進的建議，因作者的研究重點為主要的營商問題，故此對一般作業上的問題未加以詳細分析。

儘管社會服務機構對本港有重要的貢獻，但根據本研究的结果，顯示此等機構並沒有普遍應用一般管理概念和策略技巧。本文作者深切期望資深深層的社會工作者和良好的管理系统互相結合，發揮更大的效能和效率，使機構本身和社會大眾都能有所裨益。



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